

Summary of regional consultation in Africa

Co-hosted by the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda and the United Nations Economic Commission for Africa

via Interprefy (in English and French)

18 November 2020

On 18 November 2020, the High-level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) and the United Nations Economic Commission for Africa (UNECA) held an African consultation bringing together high-level representatives from Member States and the African Union, along with leaders from the private sector, academia and civil society in the region. The consultation, held virtually due to COVID-19 related restrictions around the world, has offered an opportunity for the FACTI Panel to hear from leaders in Africa on their preferred means to address the shortcomings in the existing frameworks that were identified in the interim report released in September. It was the third consultation of a series taking place throughout November which further includes the regions of Europe, Asia-Pacific, and Latin-America and the Caribbean. Nearly 40 people participated in this African consultation, and 9 made statements.

Welcoming

The meeting was co-chaired by **H.E Mr. Ibrahim Assane Mayaki**, former Prime Minister of Niger, chief Executive Officer of the New Partnership for Africa's Development (NEPAD) Agency, and co-chair of the FACTI panel, and **Dr. Vera Songwe**, Under-Secretary-General and Executive Secretary of the United Nations Economic Commission for Africa, who both provided welcoming remarks. **Dr. Mayaki** provided the participants with highlights of the Panel's interim report, stressing that there are still gaps in the implementation of existing instruments, important loopholes in the international architecture and inadequacies in the global economic governance. He further reminded participants about the critical importance of political engagement and political will, both at the national and international levels. Such engagement will help find a shared understanding of the challenges and the best ways to resolve them. He also emphasized the need for all stakeholders (including civil society and the private sector) from all countries to engage, with a view to addressing the problems that the Panel has identified in its report. **Dr. Songwe** highlighted the critical importance of the Panel's work in light of the current pandemic which makes even greater the need for transparency and accountability. She further stressed the challenges faced by the African continent due to illicit financial flows and the need for enhanced domestic resource mobilization and capacity building. She emphasized the need to further strengthen African institutions to fight illicit financial flows.

Opening remarks and inputs

The Chairperson of the African Union Commission was represented by **Hon. Begoto Miarom**, chairperson of the African Union Advisory Board on Corruption, who highlighted the damage caused in Africa by illicit financial flows and especially corruption and the need for the FACTI Panel to make concrete recommendations to address those. He stressed the need to improve the whole asset recovery process, including through the development of strategies to simplify the legal process. He also highlighted the importance of ensuring that countries of origin can benefit

from frozen or seized assets while they wait for their return, referring in that regard to the recent AU's common African position on asset recovery that was adopted in February 2020.

H.E Mr. Thabo Mbeki, former president of South Africa and chair of the African Union High Level Panel on Illicit Financial Flows from Africa, also provided inputs. He began his intervention by commending the FACTI Panel on its interim report and its accurate analysis of the gaps in the current international architecture. He stressed the importance of strong political engagement and political will so as to ensure effective implementation of the recommendations that will be formulated by the Panel. He gave a clear call that the FACTI Panel's desire to have politically viable recommendation should not lead to a lowest common denominator approach to determining what recommendations should be put forward. He further insisted on the importance of aligning the final recommendations with the 2030 Agenda, reminding how combatting illicit financial flows – including by tackling the key role played by enablers and enhancing resource mobilization – are critical for Africa to achieve the Sustainable Development Goals (SDGs).

Keynote Speakers

H.E. Ms. Hala El Said, Minister of Planning and Economic Development of Egypt, stressed that the current pandemic had made the need for global coordination and enhanced resource mobilization even more important so as to enable countries to provide basic services and meet (SDGs). She then provided some highlights of the progress Egypt has made in advancing financial integrity, accountability and transparency, and indicated Egypt's willingness to continue engagement with the Panel and neighboring countries with a view to achieving a more coherent ecosystem of instruments and institutions to address these global challenges.

Hon. Prince Clem Agba, Minister of State for Budget and National Planning in Nigeria, highlighted that for most developing countries, the FACTI Panel is the most important ongoing process related to the COVID-19 pandemic and beyond. He stressed that COVID-19 is not only a crisis of public health, it is also a crisis of public finance and a great obstacle to achieving the 2030 Agenda. The Minister further insisted on the need for the Panel to elaborate concrete recommendations to address current challenges and further resources. In this regard, he highlighted the lack of inclusiveness in the global tax architecture, the digitalization of the economy, weaknesses in asset recovery/return, and capacity deficiencies in developing countries. Finally, he expressed his appreciation for the interim report and reiterated his expectations for the final report to be forward-looking and inclusive.

H.E. Mr. Omer Mohamed Ahmed Siddig, Permanent Representative of Sudan to the United Nations, delivered remarks on behalf of Sudan's Finance Minister, highlighting the critical importance of the FACTI Panel's work due to the current pandemic and the need for concrete measures to be developed to help countries build back better. He indicated that the issue of asset recovery was of the utmost importance to the Sudanese government. He also expressed the wish that the Panel will play an active part in enhancing multilateralism as well as technical assistance while ensuring its work does not duplicate other United Nations initiatives and mechanisms.

Open discussion

In total, 4 additional African leaders were able to speak. FACTI Panel members, Ms. Irene Ovonji-Odida, Mr. Bolaji Owasanoye and Ms. Annet Wanyana Oguttu were also invited to make observations. Most speakers emphasized the vital importance of the Panel's work in light of the current economic and financial turmoil due to the COVID 19 and welcomed the inclusive approach of the Panel. The interventions were substantive in nature, focusing on areas/issues where the Panel could make recommendations.

Most speakers highlighted the critical roadblock that illicit financial flows pose in Africa's road to COVID-19 recovery and the need for the Panel to **consider developing countries' perspectives**

when making recommendations. Many speakers further highlighted the need to enhance **capacity building** in Africa.

Speakers largely supported the creation of an **inter-governmental UN tax body** to enhance international cooperation in tax matters, help with equitable allocation of taxing rights, serve as a fair platform for international dispute settlement and reshape the global tax architecture.

Other issues of concern that were raised by speakers included the need to address tax abuses (including tax avoidance, base erosion, profit shifting), to enhance beneficial ownership information and transparency and to speed up the process of asset recovery.

Closing

Dr. Mayaki thanked all participants for their valuable inputs. He stressed again how important it is for the FACTI Panel to engage with all stakeholders, and how critical their inputs are in shaping the final recommendations. Finally, he welcomed all participants to continue to engage in the Panel's future activities reminding them that the Panel is accepting written submissions from all stakeholders until the end of November.